Reception Room

COTTON CHATS

TRADE-MARK REG. U.S. PAT. OFF.

DRAPER CORPORATION

HOPEDALE MASS.

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The following extracts from circular just issued by the National City Bank of New York apply specially to the textile manufacturing situation:

THE SYMPTOMS OF BUSINESS IMPROVEMENT

which were visible in April became more pronounced in May, and at the beginning of June the doubt and pessimism which prevailed in mid-winter about general trade and industrial conditions has mainly disappeared. Nobody is any longer apprehensive of a sudden and heavy slump of merchandise prices, for it has been demonstrated that in most staple lines of goods of direct consumption the demand exceeds the supply.

The reports of clearing houses and Federal reserve banks show that the volume of payments through the banks is greater than a year ago or at any previous time. Reports from the industrial centers indicate that the demand for labor is increasing, and that there is more talk about a prospective

labor shortage than of unemployment. In all agricultural districts, but particularly in the South, there is a demand for men on the farms.

CLOTHING AND ALL TEXTILE GOODS

and raw materials are in great demand and short supply. Dealers instead of being afraid of overstocks have become afraid that there will not be enough goods to go around and have been scrambling over each other to place their orders, with the result that the mills are in an assured position for the next six months at least.

The labor situation has been stabilized upon the basis of forty-eight hours per week, instead of fifty-hour, with a wage increase of fifteen per cent., which compensates the wage worker for the loss of time. This reduction of hours in the workday will reduce production and increase costs, unless there is recourse to double shifts, a matter which is under consideration and will be tried out. The total increase of wages in the cotton mills since the beginning of the war is above 100 per cent.

CARRYING THE ARGUMENT A STEP FARTHER

a recent editorial in the Textile World Journal says:

IS EXPANSION WARRANTED?

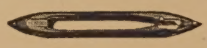
Now that activity in textiles is becoming general and demand for certain classes of goods gives evidence of exceeding the

available supply, the industry is likely to give more serious consideration to the radical curtailment of production due to a permanent reduction in working hours of over 11 per cent. While the mills were working on a 50 to 75 per cent. basis this new market factor deserved and received little attention, except as a contingency of the future. Now that demand for many lines is close to former maximums it is suddenly becoming realized that it must be met with a productive capacity that has been shrunk at least 10 per cent.

There are only two ways in which the industry can hope to meet former maximum demands. One is by increasing the production per operative over 10 per cent.; the other is by increasing textile equipment by the same percentage, and then finding the help to operate the new machinery. By the introduction of labor saving machinery and processes, and by stimulating the efficiency of operatives, something can be done to offset a part of the 10 per cent. shrinkage in production, but it is doubtful if such methods can make good even half of the enormous loss. To increase the textile equipment of the country by only 10 per cent. would involve the operation of our textile machine shops at maximum capacity for more than two years. It is barely possible that a combination of both methods might make good the loss in a little more than a year.

It is not strange in view of these conditions that textile men of large vision are no longer hesitating to undertake the building and equipment of new mills and additions.

Already they can see indications that textile machinery and building costs may at any moment recover some of the recent moderate price concessions as a result of higher labor cost and of a more active demand. Such men have abandoned hope, at least for many years, of being able to replace textile buildings and equipment at prices materially lower than those now ruling. Furthermore, they are actuated by the belief that, with the capacity to meet the increased demands of the next few years, they can easily accumulate a surplus that will take care of the lean years that may follow. The man who hesitates to go ahead today will not be among those who will make good the 10 per cent. shrinkage in the industry's productive capacity.



THE NORTHROP LOOM

TRADE-MARK

meets the question of labor shortage by calling for less weavers in the weave room; a Northrop loom weave room needs but 25 to 50 per cent. as many weavers as with common looms; it goes far towards replacing the shortage in weave room production by its capacity to be operated without any weavers at all during the noon hour and a corresponding time night or morning; it can be operated by less experienced help than the common loom. Bear in mind that the added saving in making high-priced cloth pays the increased cost of the looms compared with pre-war prices.